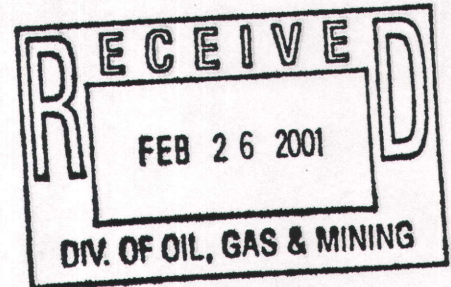


m/035/002



**Proposal to the Utah State NRD  
Trustee and USEPA CERCLA  
Remedial Project Manager  
for a Groundwater Extraction and  
Treatment Remedial Project in the  
Southwest Jordan Valley**

*SEE BOUND VOLUME  
FOR COMPLETE CONTENTS*

0005



**KENNECOTT UTAH COPPER CORPORATION  
JORDAN VALLEY WATER CONSERVANCY  
DISTRICT**

**Proposal to the Utah State NRD Trustee and  
USEPA CERCLA Remedial Project Manager  
for a  
Groundwater Extraction and Treatment Remedial Project  
In the Southwestern Jordan Valley**

Submitted December 16, 1999  
Revised April 28, 2000  
Revised January 15, 2001

## Table of Contents

1.0	INTRODUCTION .....	1
1.1	Executive Summary .....	2
2.0	BACKGROUND .....	3
2.1	Natural Resource Damage Claim and Consent Decree (UDEQ) .....	3
2.2	Federal CERCLA Requirements (USEPA) .....	5
2.3	KUCC/JVWCD Study and Conceptual Design .....	6
2.4	JVWCD System and Service Area .....	7
3.0	PURPOSES OF PROPOSED PROJECT .....	8
3.1	Meet the Requirements and Intent of the NRD Consent Decree .....	8
3.2	Meet the Intent and Remedial Requirements of CERCLA .....	8
3.3	KUCC/JVWCD Purposes .....	8
4.0	AFFECTED AREA AND PUBLIC .....	10
4.1	Affected Area .....	10
4.2	Public in the Affected Area .....	10
5.0	PROPOSED PROJECT .....	11
5.1	General .....	11
5.2	Groundwater Extraction .....	11
5.3	Collection Pipelines .....	12
5.4	Water Treatment Plants .....	12
5.5	Treated Water Deliveries .....	13
5.6	Concentrate Disposal .....	14
6.0	GROUNDWATER IMPACTS AND REMEDIATION .....	18
6.1	Groundwater Modeling .....	18
6.2	Hydrogeology .....	18
6.3	Plume Contraction and Containment .....	19
7.0	WATER RIGHTS AND MANAGEMENT WITHIN AFFECTED AREA ...	20
7.1	Consent Decree Requirements .....	20
7.2	Water Rights in the Affected Area .....	20
7.3	Proposed Change Applications for the Project .....	21
7.4	Proposal to the State Engineer Concerning Water Rights .....	22
8.0	COST ESTIMATES .....	23
8.1	Capital Costs for Deep Groundwater Extractions .....	23
8.2	Capital Cost Estimates for Shallow Groundwater Extraction .....	23
8.3	Post-Mine Closure Costs (Zone A Concentrate Pipe) .....	23
8.4	Operation, Maintenance and Replacement Costs .....	23
8.5	Avoided Capital Costs .....	24
8.6	Avoided Operating Costs .....	27
8.7	Total Cost Estimate .....	27
9.0	PROJECT FUNDING .....	29
10.0	OPERATION, MAINTENANCE, REPLACEMENT RESPONSIBILITIES .	33
10.1	Zone A Facilities .....	33
10.2	Zone B Facilities (for Deep Groundwater Extraction) .....	33
10.3	Zone B Facilities (for Shallow Groundwater Extraction) .....	34

11.0 ALLOCATION OF PROJECT BENEFITS .....	35
12.0 SCHEDULE, DESIGN & CONSTRUCTION, FACILITIES OWNERSHIP	40
12.1 Proposed Project Schedule .....	40
12.2 Design .....	41
12.3 Construction .....	42
12.4 Facilities Ownership .....	42
13.0 LIABILITY AND AGREEMENTS .....	43
13.1 Liability .....	43
13.2 Proposed KUCC/JVWCD Agreements with State of Utah and USEPA	43
13.3 Proposed KUCC/JVWCD Agreement .....	43
13.4 KUCC/JVWCD Agreement ("The Project Agreement") .....	43
13.5 KUCC/JVWCD Agreement with the State of Utah ("The State Agreement") .....	45
14.0 ZONES A AND B RATIONALE .....	46
14.1 Zone A .....	46
14.2 Zone B .....	47
15.0 MEETING INTENT OF NRD CONSENT DECREE .....	49
16.0 MEETING USEPA CERCLA REQUIREMENTS .....	51
17.0 PILOT TESTING .....	56

## Figures

Figure 2.4A	Jordan Valley Water Conservancy District Customers and Boundaries
Figure 2.4B	Jordan Valley Water Conservancy District Water System
Figure 4.1A	S.W. Jordan Valley Highest Sulfate Concentration Data
Figure 4.1B	Zones in Affected Area
Figure 4.2A	Municipal Areas Impacted by Elevated Sulfate
Figure 5.2A	Proposed Groundwater Extraction and Treatment System
Figure 5.4A	Zone A Plume-Treatment Flow Chart
Figure 5.4B	Zone B Plume-Treatment Flow Chart
Figure 7.2A	Approved Municipal Groundwater Rights in the Affected Area
Figure 8.5A	JVWTP Groundwater Development Project in Southwest Salt Lake Valley, Absent Mining Contamination
Figure 11.0A	Affected Municipal
Figure 14.1A-1	Sulfate contours Layer 4
Figure 14.1A-2	Sulfate contours Layer 4



## Tables

Table 2.1	State NRD Trust Fund .....	4
Table 5.2 -	Annual Groundwater Extraction Volumes .....	12
Table 5.4A -	Treatment Plant Flows .....	13
Table 5.6A -	Effect of Zone A Reverse Osmosis Concentrate on Tailings Line Chemistry .....	14
Table 5.6B -	Project Concentrate Flows .....	15
Table 7.2A -	Municipal Water Rights .....	20
Table 7.2B -	Kennecott Water Rights .....	20
Table 7.2C -	Shallow Groundwater Rights .....	21
Table 7.3A -	Proposed Water Right Charges .....	21
Table 8.5A -	Estimate for Avoided JWCD Capital Cost of Groundwater Development, Absent Mining Contamination .....	25-26
Table 8.7A -	Present Worth Cost of Proposed Project (in 1999 dollars) ....	27
Table 8.7B -	Present Worth Cost of Proposed Project (in 2000 dollars) ....	28
Table 9.0A -	Distribution and funding of Project Costs .....	31-32
Table 11.0A -	Allocation of Zone A Treated Water Among Affected Municipalities .....	36
Table 11.0B -	Illustration of Discounted Wholesale Water Rate Methodology for Zone A Treated Water .....	38
Table 12.1A -	Proposed Project Schedule .....	41
Table 12.2A -	Design Responsibility .....	42
Table 12.4A -	Ownership of Facilities for Proposed Project .....	42
Table 14.1A -	JWCD Water Purchase contracts with Affected Municipalities	47
Table 15.0A -	Intent of NRD Consent Decree .....	49
Table 15.0B -	Groundwater Extraction and Treatment System .....	50

## Appendices

- A. KUCC Groundwater Model
- B. Record of Decision (USEPA)
- C. Draft - KUCC/JWCD Project Agreement
- D. Jordan River concentrate discharge
- E. Revised Flow and Transport Model for Southwestern Jordan Valley
- F. Groundwater Rights in Affected Area
- G. Letter to State Engineer
- H. Updated CDM Memorandum
- I. Allocation of Zone A water to the Affected Municipalities
- J. Letters of Support
- K. Draft - State Agreement
- L. Zone B/Lost Use Pilot Testing Scope of Work

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**1.0 INTRODUCTION**

Kennecott Utah Copper Corporation (KUCC) and the Jordan Valley Water Conservancy District (JVWCD) make this joint proposal to Dr. Dianne R. Nielson, the Utah Trustee for natural resource damage (NRD), who also acts as Director of the Utah Department of Environmental Quality (UDEQ). In addition, the proposal has been made to Dr. Eva J. Hoffman, the United States Environmental Protection Agency (USEPA) Remedial Project Manager for the KUCC Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) site remediation. Dr. Hoffman has conducted a public hearing and a public comment period pertaining to this proposal.

KUCC and JVWCD propose to develop and construct a groundwater extraction and treatment project with groundwater remedial functions that will provide treated, municipal quality water to the public in the Affected Area<sup>1</sup> of the southwestern Jordan Valley (SWJV). KUCC and JVWCD seek to utilize the trust fund set up under the 1995 NRD Consent Decree, in a manner consistent with the terms of the Consent Decree and to restore the equivalent injured resource.

The concepts of this Proposal have been presented to the governing organizations of Herriman City, Riverton City, South Jordan City and West Jordan City.

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<sup>1</sup>Affected Area is defined in Section 4.0.

## 1.1 Executive Summary

In summary, the Proposal:

- Is designed to furnish up to 9,300 AF/year of municipal quality water to be provided to the public in the Affected Area
- Includes the construction and operation of two reverse-osmosis water treatment plants
- Includes construction and operation of pipelines and extraction wells
- Seeks to utilize all portions of the Trust Fund, except that relating to administration costs. As such, KUCC's portion of the Proposal seeks to use all the funds available under the Irrevocable Letter of Credit (ILC), which will be replaced with the Zone A/LC and Zone B/LC thereby reducing the ILC to zero after the proposed project is constructed and operating. JVWCD seeks the balance of the Trust Fund to supply (restore or replace) the remaining amount of municipal quality water contemplated by the Consent Decree, including replacement of lost concentrate water
- Provides additional costs and in-kind contributions to the Proposal of \$180 million by KUCC, and. \$21 million by JVWCD
- Anticipates providing municipal quality water to the public in the Affected Area by December 2004 if pilot testing begins by January 2001, and if the Proposal is approved by May 2001.
- Presents a proposed allocation of water rights to the Utah State Engineer. The allocation of water rights is necessary to meet the intent of the NRD Consent Decree. KUCC and JVWCD submitted change applications in July 2000 to accomplish the proposed allocations
- Integrates the CERCLA remedial response for the Bingham Creek acid and elevated sulfate plume with the actions required to satisfy the NRD Consent Decree.

"This Proposal provides an overview of the expected development of the Project. Because the Project is intended to be ongoing for more than forty years, not all circumstances can be anticipated, much less addressed. Many of the circumstances, as well as the definitive rights and obligations of KUCC, JVWCD and the State, are addressed in the agreements attached as Appendices C and K. The agreements include flexibility in the development of the Project, although the Trust Fund is not utilized until the plants have been constructed and are operating and consistent with this Consent Decree."